

**CITY COUNCIL STUDY SESSION ON
RECYCLE PLUS PROGRAM AND
PROCUREMENT PROCESS**

SAN JOSÉ, CALIFORNIA

AUGUST 11, 2006

Present: Council Members - Campos, Chavez, Chirco, Cortese, Nguyen, LeZotte, Pyle, Reed, Williams, Yeager; Gonzales.

Absent: Council Members - None.

Staff: City Manager Les White, City Attorney Rick Doyle, Environmental Services Director John Stufflebean, Deputy Director of Finance Walter Rossman, Equality Assurance Director Nina Grayson, City Clerk Lee Price, Legislative Secretary Susan Davis.

Documents filed: (1) Memorandum from City Manager Les White, dated August 1, 2006, transmitting the Agenda and background materials for the Recycle Plus Program and Procurement Process Study Session. (2) Memorandum from City Manager Les White, dated August 10, 2006, transmitting performance reviews completed as part of the Recycle Plus procurement process. (3) Staff powerpoint presentation, dated August 11, 2006. (4) Correspondence from Terry Trumbull with Breathe California, dated August 9, 2006, urging Council to award the contract to a refuse and recycling contractor who does not use diesel fuel. (5) Correspondence from Louie Pellegrini, Garden City Sanitation, Inc., dated August 11, 2006, formally protesting several major points of City Staff's analysis and conclusions for not recommending their proposal to Council.

Introduction

Mayor Gonzales called the meeting to order at 9:07 a.m.

City Manager Les White stated that this study session was being held to review procedures, processes, recommendations and alternatives relating to the Recycle Plus Program and Procurement Process and introduced some of the key participants in past and present Recycle Plus RFP review processes and proceeded to clarify some of the controversial issues surrounding the entire process

Recycle Plus Program

Environmental Services Director John Stufflebean presented an overview of the Recycle Plus Program and Goals for the procurement process.

Recycle Plus Procurement Process

Deputy Director of Finance Walter Rossman provided details about the Recycle Plus contract procurement process and added that the next steps will be to analyze two protests received with the assistance of an external auditor, respond back to the companies and report the findings to Council.

Overview of Recommendations and Alternatives

Director of Environmental Services Stufflebean continued the presentation with a brief overview of the proposal summaries, including the highlights and concerns of the seven member technical evaluation committee, and concluded with Staff's recommendations.

Equality Assurance Director Nina Grayson summarized the City's mandatory RFP requirements: including prevailing wages, employee retention and labor peace. Director of Environmental Services Stufflebean concluded with cost implications, suggested alternatives and risks.

Council questions and comments followed the group presentation. Vice Mayor Chavez requested the City Manager to provide a more detailed spreadsheet on the combined services versus separate services before the Council votes on this issue and to make this information available to the public as well.

Mayor Gonzales and Councilmember LeZotte left the meeting at 12:00 p.m. Vice Mayor Chavez assumed the chair.

Public Comments

Sonny Pham, San José business owner, asked Council to select California Waste Solutions for the City's recycling contractor.

Dr. Lloyd Pham, requested Council look for alternatives to the current contract, lower City costs and open the door for minority business contractors.

Louie Pellegrini, President of Garden City Sanitation, urged Council to consider their very comprehensive, environmentally responsible proposal.

Kent Kenney, Garden City Sanitation, expressed dissatisfaction with Staff's analysis of their proposal and urged Council to select the Garden City and CWS alternative.

Public Comments (Cont'd.)

Steven Jones, Garden City Sanitation, stated that Garden City Sanitation will bring 30 years of sanitation experience to San José and asked Council to consider the option of teaming their hauling services with CWS for the recycling portion.

Michelle Mai voiced opposition to awarding the contract to Norcal.

Ken Etherington, California Waste Solutions, presented California Waste Solutions' experience and commitment to customer service, and eagerness to enter into an agreement with the City.

Kim Marshall, Customer Service Representative for California Waste Solutions, offered her experience with the City of Oakland contract and belief that educating the community is important when implementing a new program.

Queenie Ngo, Publisher of Phu Nu Cali Magazine, believes integrity of the process and cost savings are most important to the City and citizens.

Luc Huynh, Win-Visions and KVBVN 1430, urged Council to select CWS for the.

Vivian Truong, Publisher of Viet Tribune, stated that she has received many e-mails from the Vietnamese community wanting the Council to contract with CWS in order to save money.

Dr. Douglas Nguyen, Vice President of Federation Viet American NC, urged Council to select CWS.

Bryan Do, COVA, expressed opposition to entering into another Norcal contract based on the current litigation.

Pat Dando, San José Silicon Valley Chamber of Commerce, suggested that the Council not rush into changing from a good garbage service contract provider when developing an RFP, to remain true to the original requirements, and if moving forward even though there is a lack of competition for this current RFP, recommended considering CWS based on their record of financial stability and extensive community outreach.

Michael Luu, small minority owned business owner, urged Council to award the contract to CWS based on their low bid.

Kathy Neal, Consultant to California Waste Solutions, addressed the criticism that CWS uses too many consultants by noting that many of the key consultants have been in place longer than some management and line staff.

Larry Sweetser, Consultant to California Waste Solutions, stated that CWS addressed contamination compliance issues and inspections have proven their compliance.

Michael Ioannou, Attorney for California Waste Solutions, stated that as part of the RFP process, Norcal should have been required to disclose all factual evidence regarding their five indictments.

Public Comments (Cont'd.)

Richard Norris, Attorney for California Waste Solutions, stated that giving Norcal a two year contract will in effect put CWS out of business, and documented proof was given to the City to show that excessive contamination penalties should have been directed to the curbside pick-up by Norcal.

Kristina Duong, Chief Financial Officer for California Waste Solutions, assured Council that CWS has the financial capability to service this contract and a performance bond.

David Duong, President of California Waste Solutions, asked the Council to allow his local minority business a chance to grow while saving the City money.

Paul Rottenberg, California Waste Solutions, clarified for Council that when they stated in their bid that they would reject loads with 10% or more contamination that this meant that these loads would be handled separately so as not to contaminate the cleaner materials.

Spence Erickson, PG&E Clean Air Transportation Program, urged Council to select a refuse provider using natural gas for their fleet thereby saving fuel costs to the City and reducing unsafe emissions.

George Gitschel, President/CEO of Rosewaste Systems, Inc., informed Council that they have sold equipment to CWS on Timothy Drive.

Van Le, small business owner, urged Council to support minority businesses.

Adjournment

Vice Mayor Chavez complimented staff on their presentation and informational binder and asked that this information be placed on the website for public access.

The Council of the City of San José adjourned the Study Session at 12:48 p.m.

Minutes Recorded, Prepared and Respectfully Submitted by,

Lee Price, MMC
City Clerk

smd/08-11-06 RecyclePlusMIN

Access the video, the agenda and related reports for this meeting by visiting the City's website at www.sanjoseca.gov/clerk/MeetingArchive.asp